



Office of Foreign Assets Control

31 CFR Part 589

Publication of Ukraine-/Russia-Related Web General Licenses 2 and 10

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury’s Office of Foreign Assets Control (OFAC) is publishing two general licenses (GLs) issued in the Ukraine-/Russia-Related Sanctions program: GL 2 and GL 10, each of which was previously issued on OFAC’s website and is now expired.

DATES: GL 2 expired on September 26, 2014, and GL 10 expired on October 1, 2016.

See SUPPLEMENTARY INFORMATION for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Licensing, 202-622-2480; Assistant Director for Regulatory Affairs, 202-622-4855; or Assistant Director for Sanctions Compliance & Evaluation, 202-622-2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC’s website: www.treas.gov/ofac.

Background

On March 6, 2014, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), issued Executive Order (E.O.) 13660, “Blocking Property of Certain Persons Contributing to the Situation in Ukraine” (79 FR 13493, March 10, 2014). In E.O. 13660, the President determined that the actions and policies of persons including persons who have asserted

governmental authority in the Crimean region without the authorization of the Government of Ukraine that undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and declared a national emergency to deal with that threat.

The President subsequently issued E.O. 13661 of March 16, 2014, “Blocking Property of Additional Persons Contributing to the Situation in Ukraine” (79 FR 15535 March 19, 2014), and E.O. 13662 of March 20, 2014, “Blocking Property of Additional Persons Contributing to the Situation in Ukraine” (79 FR 16169, March 24, 2014), both of which expanded the scope of the national emergency declared in E.O. 13660. On May 8, 2014, OFAC published the Ukraine Related Sanctions Regulations, 31 CFR part 589 (which have since been reissued and renamed the Ukraine-/Russia-Related Sanctions Regulations), to implement E.O. 13660, E.O. 13661, and E.O. 13662 (79 FR 26365, May 8, 2014).

On September 12, 2014, pursuant to authorities delegated from the Secretary of the Treasury, the Director of OFAC issued Directive 4 under E.O. 13662. Directive 4, as originally issued,¹ prohibited, among other things, the provision, exportation, or reexportation, directly or indirectly, of goods, services (except for financial services), or technology by U.S. persons or within the United States in support of exploration or production for deepwater, Arctic offshore, or shale projects that have the potential to produce oil in the Russian Federation, or in maritime area claimed by the Russian Federation and extending from its territory, and that involve any person determined to be subject to Directive 4, its property, or its interests in property.

¹ Directive 4, as originally issued, was replaced and superseded by an amended version of Directive 4, issued October 31, 2017.

Also on September 12, 2014, OFAC, in consultation with the Department of State, issued GL 2, pursuant to E.O. 13662, to authorize, through 12:01 a.m. eastern daylight time, September 26, 2014, certain activities prohibited by Directive 4 under E.O. 13662 that are ordinarily incident and necessary to the wind down of operations, contracts, or other agreements involving persons determined to be subject to Directive 4 and that were in effect prior to September 12, 2014.

On December 19, 2014, the President, in order to take additional steps to address the Russian occupation of the Crimea region of Ukraine, issued E.O. 13685, “Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to the Crimea Region of Ukraine” (79 FR 77357, December 24, 2014), pursuant to the national emergency declared in E.O. 13660 and expanded by E.O. 13661 and E.O. 13662.

On August 31, 2016, OFAC, in consultation with the Department of State, issued GL 10, pursuant to E.O. 13685, to authorize, through 12:01 a.m. eastern daylight time, October 1, 2016, certain transactions and activities otherwise prohibited pursuant to E.O. 13685, that are ordinarily incident and necessary to divest or transfer holdings in PJSC Mostotrest, a person blocked pursuant to E.O. 13685, to a non-U.S. person.

The text of GLs 2 and 10 is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Executive Order 13662 of March 20, 2014

Blocking Property of Additional Persons Contributing to the Situation in Ukraine

GENERAL LICENSE NO. 2

Authorizing Certain Activities Prohibited by Directive 4 under Executive Order 13662 Necessary to Wind Down Operations

(a) Except as provided in paragraph (b) of this general license, all activities prohibited by Directive 4 under Executive Order 13662 of March 20, 2014, that are ordinarily incident and necessary to the wind down of operations, contracts, or other agreements involving persons determined to be subject to Directive 4 under Executive

Order 13662 and that were in effect prior to September 12, 2014, are authorized through 12:01 a.m. eastern daylight time, September 26, 2014.

(b) This general license does not authorize any new provision, exportation, or reexportation of goods, services (except for financial services), or technology except as needed to cease operations involving projects covered by Directive 4 under Executive Order 13662. This general license does not authorize any transactions or dealings otherwise prohibited by any other Directive under Executive Order 13662 or any part of 31 CFR chapter V.

(c) U.S. persons participating in transactions authorized by this general license are required, within 10 business days after the wind-down activities conclude, to file a detailed report, including the parties involved, the type and scope of activities conducted, and the dates of the activities, with the Office of Foreign Assets Control, Licensing Division, U.S. Department of the Treasury, 1500 Pennsylvania Avenue N.W., Annex, Washington, DC 20220.

John E. Smith
Acting Director
Office of Foreign Assets Control

Dated: September 12, 2014

OFFICE OF FOREIGN ASSETS CONTROL

Executive Order 13685 of December 19, 2014
Blocking Property of Certain Persons and Prohibiting Certain Transactions With
Respect to the Crimea Region of Ukraine

GENERAL LICENSE NO. 10

Authorizing Certain Transactions Otherwise Prohibited by Executive Order 13685
Necessary to Divest or Transfer Holdings in Certain Blocked Entities

(a) Except as provided in paragraph (c) of this general license, all transactions and activities otherwise prohibited pursuant to Executive Order (E.O.) 13685 of

December 19, 2014 (“Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to the Crimea Region of Ukraine”) that are ordinarily incident and necessary to divest or transfer to a non-U.S. person holdings in PJSC Mostotrest are authorized through 12:01 a.m. eastern daylight time, October 1, 2016.

(b) The transactions and activities authorized in paragraph (a) include facilitating, clearing, and settling transactions to divest or transfer to a non-U.S. person holdings in PJSC Mostotrest, including on behalf of non-U.S. persons.

(c) This general license does not authorize:

(1) U.S. persons to sell holdings to, purchase or invest in holdings of, or facilitate non-U.S. person transactions with, any entity whose property and interests in property are blocked pursuant to E.O. 13685, including PJSC Mostotrest, or to engage in any transactions or activities otherwise prohibited by any other Executive order, or any part of 31 CFR chapter V; or

(2) The unblocking of any property blocked pursuant to E.O. 13685, any other Executive order, or any part of 31 CFR chapter V, except as authorized by paragraph (a).

(d) U.S. and non-U.S. persons divesting or transferring holdings in PJSC Mostotrest authorized by this general license are required, within 10 business days after the divestment activities conclude, to file a detailed report, including the names and addresses of parties involved, the type and scope of activities conducted, and the dates on which the activities occurred, with the Office of Foreign Assets Control, Sanctions Compliance & Evaluation Division, U.S. Department of the Treasury, 1500 Pennsylvania Avenue N.W., Freedman’s Bank Building, Washington, DC 20220, or via email to OFACReport@treasury.gov.

Andrea Gacki
Acting Director
Office of Foreign Assets Control

Dated: August 31, 2016

Andrea M. Gacki,
Director, Office of Foreign Assets Control.

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